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UNCLAS SECTION 01 OF 02 LIMA 004848

SIPDIS

SENSITIVE

DEPT FOR WHA/AND, WHA/EPSC, EB/CIP - TCARNEGIE/WAYALA
COMMERCE FOR 4331/MAC/WH/MCAMERON
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SUBJECT: LAUNCHING PHASE II OF THE DIGITAL FREEDOM
INITIATIVE

REF: LIMA 3115

1. (SBU) Summary. The Ambassador and Peruvian Minister of Production David Lemor signed a Memorandum of Understanding (MOU) on November 8 to launch Phase II of the Digital Freedom Initiative (DFI) as well as underscore the GOP's renewed interest in the program. Both the Minister and the Ambassador pledged to improve information sharing and cooperation among the two governments and the private sector. Phase II will further promote economic development through the dissemination of information and communications technology to entrepreneurs and small businesses. The MOU established a Working Group of nine officials - two from the USG, two from the GOP, and five from the private sector. The Working Group, which includes the General Managers of Intel, Cisco, Motorola, Voxiva and Hewlett Packard, will meet December 7 to discuss next steps and how to best implement future DFI programs in Peru. The Working Group will also brief the American and Lima Chambers of Commerce to obtain additional private sector support. End Summary.

Launching DFI Phase II

2. (U) Although Peru became a participant in the Digital Freedom Initiative in 2003, the Peruvian Government did not take an active role in implementation of the DFI (reftel). Only recently has the GOP focused on this program, due in large part to the encouragement of U.S. officials during APEC conferences in 2005. During the past five months, we have met with officials from the Ministry of Production, the GOP's newly-appointed lead agency for DFI issues, to support the GOP's renewed interest in promoting economic growth through the transfer to and use of information and communication technology (ICT) by entrepreneurs and small businesses. While GOP agencies discussed the possibility of working with the Embassy and the private sector to promote the DFI, the Ministry of Production requested that the two governments sign a Memorandum of Understanding (MOU) to make information sharing and cooperation more official.

3. (U) Pleased with the GOP's renewed interest in the DFI, we moved forward with preparations for the MOU. On November 8, Ambassador Struble and Minister of Production David Lemor signed the MOU, which not only established a framework for collaboration between the USG and the GOP but also launched Phase II of the DFI. The MOU established a DFI Working Group, to consist of nine persons, which will meet monthly to discuss the current state of play of the DFI and plan future programs and their implementation. (Note: We sent the original documents to L/T. Scanned copies have been sent to WHA/AND and EB/CIP for their records. End Note.)

Next Steps

4. (SBU) We met with Karin Talavara, advisor to the Vice Minister of Industry, and several other Ministry of Production officials on November 9 to discuss implementation of the MOU. During the meeting, we established the DFI Working Group - members include two Embassy officials, Vice Minister of Industry Antonio Castillo, Vice Minister of Communications Juan Pacheco, and the Peruvian General Managers of Cisco, Intel, Hewlett Packard, Voxiva and Motorola. The private sector participants were selected using three criteria: the companies are members of the DFI Business Roundtable; the companies have offices in Peru; and the companies are currently working on DFI-related projects in Peru. The DFI Working Group will meet on December 7 to determine next steps, establish a list of incentives for potential stakeholders, and discuss ongoing and future projects.

5. (SBU) The Working Group intends to establish several smaller sub-groups that will focus on issues including Software, Telecommunications, Hardware, E-Commerce/E-

Government, and Regulations. We plan on inviting key GOP officials from Osipitel (the Peruvian Telecommunications Regulator) and the E-Government program, as well as private sector representatives and Department of Commerce E-Business fellows, to work more closely on these issues. Several GOP agencies, including Osipitel and the Ministry of Transport and Communications recently received Trade and Development Agency (TDA) grants for telecommunications activities and regulation; by inviting these organizations to participate in the DFI, they will be able to promote DFI telecommunications activities within the scope of the TDA grants.

16. (SBU) After the December 7 meeting, the DFI Working Group will meet with the American Chamber of Commerce and the Lima Chamber of Commerce to ascertain interest on the part of American or Peruvian companies to participate in the DFI and DFI-related activities throughout Peru. The Working Group, in the next few months, will also establish a local DFI webpage, to be managed by Voxiva, with links to activities planned by each of the sub-groups. Local and American companies interested in participating in the DFI could use the webpage as a tool to determine their level of involvement.

Comment

17. (SBU) The signing of the MOU has injected new life into the DFI program in Peru - a program that previously had minimal GOP interest. The Ministry of Production, working with the Ministry of Transport and Communications and other government stakeholders, appears not only ready but able to implement DFI programs, as witnessed by their desire to discuss the immediate implementation of the MOU. During the signing ceremony, several U.S. companies, including Microsoft and Nextel, approached us to inquire about the possibility of participating in future DFI programs as part of their social corporate responsibility programs in Peru. We believe that by working with the GOP and the private sector, we can not only better disseminate information and communications technology to local entrepreneurs and small businesses but also teach them how to use the technology to promote economic development.

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